

Form ADV Part 2A: Firm Brochure

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Registration with the United States Securities and Exchange Commission does not imply a certain level of skill or training.

This brochure provides information about the qualifications and business practices of Orchard Global Asset Management LLP (“Orchard”, the “firm” or “we”). If you have any questions about the contents of this brochure, please contact us at info@orchardglobal.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Orchard also is available on the SEC’s website at www.adviserinfo.sec.gov.

2. Material Changes

Since Orchard's previous annual filing dated March 31, 2023, Orchard has updated Item 4 below to reflect that the firm's corporate member, Orchard Global Services Limited, is now owned by OGCG Overseas Holdings LLC. Please find further details under Item 4 below. Orchard has also added a new affiliate, EleganTree Opportunities Fund GP Ltd, which can be found in Item 10 below.

Orchard routinely makes changes throughout its brochure in an effort to improve and clarify the description of its business practices and compliance policies and procedures or in response to evolving industry and firm practices.

We encourage all recipients to read this brochure carefully in its entirety.

3. Table of Contents

2. Material Changes	2
3. Table of Contents	3
4. Advisory Business.....	4
5. Fees and Compensation.....	5
6. Performance-Based Compensation and Side-by-Side Management.....	6
7. Types of Clients	7
8. Methods of Analysis, Investment Strategies and Risk of Loss	7
9. Disciplinary Information	19
10. Other Financial Industry Activities and Affiliations.....	19
11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	20
12. Brokerage Practices.....	22
13. Review of Accounts	23
14. Client Referrals and Other Compensation	24
15. Custody	24
16. Investment Discretion	24
17. Voting Client Securities	24
18. Financial Information.....	25

4. Advisory Business

Orchard is a limited liability partnership incorporated under the laws of England and Wales on October 20, 2008. Orchard is an investment advisory services firm which specializes in investment management for clients that are commingled private investment funds and separately managed accounts, including through “fund of one” structures. As of December 31, 2023, our regulatory assets under management were \$10,544,569,179, with \$9,582,245,134 managed on a discretionary basis and \$962,324,045 managed on a non-discretionary basis. These non-discretionary figures include intra-group sub-advisory and similar support activities performed for clients of our affiliated entities.

The corporate member of Orchard is Orchard Global Services Limited, which is a wholly owned subsidiary of OGCG Overseas Holdings LLC.

Orchard provides investment advisory services to institutional investors and other sophisticated investors through commingled private investment funds and separately managed accounts, including through “fund of one” structures (each, a “client” and, collectively, the “clients”). We primarily invest in various credit strategies on behalf of our clients, including structured credit, direct lending, and fixed income investment services.

We tailor our advisory services to the individual needs and specified investment mandate of our advisory clients. Dependent on client objectives, we may seek various investment strategies in the private and public credit spaces, such as bank capital solutions, specialty lending, leveraged loans/CLOs, litigation finance or structured credit opportunities. The investment management and sub-advisory agreements do not require us to tailor our services to the needs of specific underlying investors in commingled funds. For such funds, we will adhere to the investment strategy set forth in each offering memorandum and the operating documents of the relevant client, including any relevant investment guidelines or restrictions set forth therein. Orchard and its clients have the right to enter and have entered into agreements, such as side letters, with certain underlying investors in such clients that may in each case provide for terms of investment that are more favorable than the terms provided to other investors in such clients. Such terms may include waivers or discounts on management fees and/or performance compensation, “most favored nation” clauses, the right to be excused from participating in certain investments made by a client, notice rights upon the occurrence of certain events, seats on a client’s limited partner advisory committee, specialized or additional reporting rights, rights related to tax treatment, rights related to regulatory matters, rights related to immunities or indemnification, rights related to the ability of the investor to transfer its interest in the client, additional representations and warranties from the client, its general partner and/or the firm, modifications to the subscription agreement and other benefits. Certain funds (and/or underlying investors) also negotiate for investment exposure (or investment limitations) with respect to specific industries, sectors, geographic regions or investments. In the case of separately managed accounts, including “fund-of-one” structures, Orchard may tailor its services to the individual needs of the underlying investors as determined with such investors on a case-by-case basis.

From time to time, Orchard offers co-investment opportunities and/or manages co-investment vehicles that participate in investment opportunities in which the clients invest.

We do not participate in wrap fee programs, and our clients do not currently make any cryptocurrency related investments. Additionally, while Orchard integrates financially material

sustainability factors into its investment decision making process when relevant to a client's particular strategy, Orchard does not currently pursue any investment strategies with environmental, social or governance related objectives.

Orchard is affiliated and under common control with OGAM, LP, a separately registered investment adviser. Orchard has hired OGAM, LP, in a sub-advisory capacity, to provide investment advisory and other support services to Orchard and the clients. There are also arrangements where OGAM, LP and Orchard's affiliate Orchard Global Asset Management (S) Pte. Ltd. have hired Orchard as sub-advisor providing similar services.

5. Fees and Compensation

Neither Orchard nor any of our partners and other employees or affiliates receives any transaction-based compensation for the sale of securities or other investment products.

Management Fees and Performance Compensation

With respect to its discretionary investment advisory services, Orchard typically receives compensation from its clients calculated as a percentage of the assets we manage and on performance achieved with respect to each client or specific interests therein, as provided in the governing documents of the relevant client. The governing documents of the clients permit us to negotiate different fees with investors in these clients separately and to waive the fees for certain of our affiliates, employees and accounts managed by Orchard and its affiliates.

Orchard will generally deduct the asset-based fee described above from the client accounts either monthly or quarterly and may do so in advance or in arrears, as provided in the governing documents of the relevant client. Because investors in the clients may not make intra-month withdrawals of their capital and management fees are pro-rated for any periods shorter than a full payment period, investors do not pay a management fee in excess of what they owe for the entire period. Orchard will generally deduct performance-based compensation from the clients' accounts at the end of each year, or a shorter period coinciding with an earlier date if an investor elects to have its interest in a client liquidated with respect to the elected amount to the extent permitted by the governing documents of the relevant client. Orchard will also generally deduct performance-based compensation with respect to liquidating investors at the time distributions are made to such investors.

In addition, Orchard is compensated by its affiliates, OGAM, LP and Orchard Global Asset Management (S) Pte. Ltd. (and vice versa), on a cost-plus basis for administrative services and on a profit-share basis on investor relations, investment analysis and portfolio management functions, in accordance with the transfer pricing policy established between the aforementioned affiliates, as consideration for investment advisory services rendered to the relevant affiliated entity pursuant to sub-advisory and/or intercompany service agreements. Such compensation comes out of the affiliates' asset-based fees already charged to the clients and do not represent additional charges to the clients.

Expenses

The clients bear their own expenses, generally including:

- management fees and performance compensation;
- investment expenses (*e.g.*, expenses that, in Orchard's discretion, are related to the investment of the client's assets, whether or not such investments are consummated, such as due diligence expenses, all costs and expenses relating to sourcing, purchasing, originating, monitoring, holding, disposing of, financing, hedging, developing, negotiating and structuring investments, expenses relating to short sales, clearing, booking and settlement charges, fees and expenses relating to trade and payment monitoring, reporting, confirmation, reconciliation and support, and other similar charges);
- to the extent applicable, commitment fees and other fees and expenses incurred in connection with, and principal and interest payable under, credit facilities or other indebtedness;
- professional fees (including expenses of consultants, investment bankers, attorneys, accountants and other experts relating to investments);
- third-party research expenses;
- administrative expenses (including fees and expenses of the client's administrator and other similar service providers);
- external legal expenses;
- external accounting and valuation expenses (including the cost of accounting software packages);
- audit and tax preparation expenses;
- custodial fees, bank service fees and interest expenses;
- costs related to errors and omissions insurance for Orchard;
- insurance and fees of the client's board of directors;
- entity-level taxes, fees, duties or other governmental charges;
- organizational expenses;
- expenses incurred in connection with any conference or meeting of underlying client investors;
- costs and expenses of any litigation, audit, exemption, investigation or governmental proceedings involving a client;
- expenses associated with a client's reporting with respect to FATCA and CRS compliance, Form PF and CPO-PQR filings and other forms relating to the client's assets (but not including any Form ADV filings or SEC-registration filings for Orchard and its affiliates);
- expenses incurred in connection with the offering and sale of the interests and other similar expenses related to the clients;
- indemnification expenses;
- expenses incurred in connection terminating, liquidating or winding-up a client; and
- and extraordinary expenses.

If any of the expenses listed above are incurred jointly for the account of more than one client, Orchard will allocate such expenses to the applicable clients in proportion to the size of the investment made by each to which such expense relates, or in such other manner as we consider fair and equitable.

For more information on brokerage transactions and costs, please see Section 12: Brokerage Practices.

6. Performance-Based Compensation and Side-by-Side Management

Orchard and its affiliates accept performance-based compensation from every client with respect to its discretionary investment advisory services. Performance-based fee arrangements generally align incentives with client goals, but because Orchard and its affiliates manage more than one client account, the potential exists for one client to be favored over another client. In particular, Orchard, its affiliates, and their investment personnel have a greater incentive to favor clients that pay Orchard or its affiliates (and indirectly their investment personnel) higher performance-based compensation. In addition, the principals and certain employees of Orchard have personal investments in one or more of the clients, and such investments will not be proportionate among the various clients. Accordingly, Orchard has an incentive to favor clients in which its principals or employees have a greater interest.

Orchard has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple client accounts. In particular, we have adopted an investment allocation policy designed to achieve equitable allocation among our clients over time. Specifically, our allocation policy prevents us from allocating investment opportunities to one client over another in order to produce greater performance compensation for Orchard. For more information on our allocation policy, please see Section 11(D): Conflicts of Interest Created by Contemporaneous Trading.

7. Types of Clients

All of our clients are private investment funds and separately managed accounts, including through “fund-of-one” structures. Our clients rely on certain exclusions from the definition of “investment company” in the Investment Company Act of 1940, as amended. Accordingly, none of our funds will be registered as investment companies with the Securities and Exchange Commission.

Our firm will determine in its sole discretion any requirements for entering into an investment advisory contract with a client fund or otherwise opening or maintaining an account, including whether a private fund is large enough to implement its desired investment program.

8. Methods of Analysis, Investment Strategies and Risk of Loss

Orchard primarily invests and trades on behalf of its clients in financial institution-related special situations opportunities. Orchard will seek to invest in event-driven lending opportunities and capital relief-driven transactions through active origination in select markets, determining a transaction structure with the financial institutions, analyzing the credit and collateral structure and actively engaging and monitoring transactions on an ongoing basis until their maturity. As part of this strategy, Orchard may use a number of financial market and contractual instruments in an effort to enhance risk-adjusted returns and/or hedge various risks associated with the individual transactions specifically, and a portfolio of such positions more generally. For instance, the clients may originate loans, participate in loans originated by banks and others, or assume credit risk from a financial institution by investing in notes issued by a special purpose vehicle that has in turn sold credit protection under a credit default swap transaction with the financial institution referencing a portfolio of assets of such financial institution (“credit linked notes”) or by entering directly into a credit default swap or a transaction having a similar economic effect referencing the loan portfolio of such financial institution. At the same time, the clients may enter into transactions designed to hedge the credit, currency, interest rate, and/or counterparty risks where feasible and as deemed appropriate.

Orchard seeks to take advantage of lending opportunities that it believes are becoming available as financial institutions withdraw from the loan markets and are thus unable to continue extending credit on the same basis as they had historically. Orchard believes that constraints on the capital and balance sheets of global banks creates opportunities for investors, both in respect of banks' existing loan portfolios, as well as for future lending, particularly in more specialised areas such as structured lending. However, access to such opportunities requires expertise in structured lending and sophisticated structuring capabilities as well as access to originating banks and structuring networks with an understanding of how to utilise the combination.

Orchard believes that its network of originating banks enhances the likelihood that it is shown potential transactions and, where practicable, enters into agreements with originating banks whereby it may be granted access to transactions entered into by such banks. Orchard will seek to utilize its network of global banks and other financial institutions sourcing and originating credit opportunities to identify transactions which have the potential to generate attractive returns while at the same time focusing on capital preservation across market cycles, often using security and transaction structuring to enhance expected returns. Orchard utilizes its combination of origination, credit and structuring expertise to analyze, diligence and negotiate opportunities presented to it at the same time drawing on its market knowledge and relationships in the industry.

In addition to the above-described strategy, Orchard invests and trades on behalf of its clients in global credit and fixed income markets in order to achieve capital preservation and the generation of attractive risk adjusted returns. Orchard will seek to achieve these objectives by transacting in long or short positions in single name securities (including equity securities) or other credit instruments of investment grade or non-investment grade issuers, long or short positions in portfolios or tranches of portfolios of investment grade or non-investment grade issuers, and long or short positions in tranches of credit indices. In so doing, Orchard may employ substantial leverage through repurchase agreements, through derivative transactions, or leverage provided by borrowings. These derivative transactions may include, but are not limited to, swaps, swaptions, options, futures or forward agreements, including ETF and TRS products and options on ETF and TRS products. Though the focus will be on the corporate and related credit market, we retain the flexibility to adapt our approach to ever evolving global capital markets in order to capitalise on investment opportunities. Our clients also invest, for instance, in litigation finance and other structured credit investment strategies, and we may in the future invest in asset classes other than credit, including, but not limited to, equities, currencies, interest rates and commodities, in particular for hedging or arbitrage purposes. Additionally, our clients have previously, and may in the future, periodically come into possession of equity securities as a result of the reorganization or restructuring of loans or other interests. We may also hold cash, cash equivalents or near cash, pending investment or re-investment.

Related Risks

Investing in any security involves a risk of loss that clients and investors in our clients must be prepared to bear. Please see below for a detailed explanation of some of the significant risks associated with the investment strategies we will employ:

Loans and Debt Securities Generally. It is expected that the clients will invest in loans, private debt securities, and other similar instruments. The clients are expected to invest in debt instruments that are unrated, and whether or not rated, the debt instruments may have speculative characteristics. The issuers of such instruments, including sovereign issuers, may face significant ongoing

uncertainties and exposure to adverse conditions that may undermine the issuer's ability to make timely payment of interest and principal. Such instruments do not necessarily guarantee the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse conditions.

Certain clients are expected to invest in bonds, loans or other fixed income securities, including without limitation "higher yielding" (including non-investment grade) debt securities. Such securities are generally not exchange traded and, as a result, these financial instruments trade in the over-the-counter marketplace, which is less transparent and has wider bid/ask spreads than the exchange-traded marketplace. In addition, the clients may invest in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments. Also, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments. High yield securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments. High yield securities are generally more volatile and may or may not be subordinated to certain other outstanding securities and obligations of the issuer, which may be secured by substantially all of the issuer's assets. High yield securities may also not be protected by financial covenants or limitations on additional indebtedness. The market values of certain of these lower-rated and unrated debt securities tend to be more sensitive to economic conditions than are higher-rated securities, reflecting individual corporate developments to a greater extent than do higher-rated securities which react primarily to fluctuations in the general level of interest rates. Companies that issue such securities may be highly leveraged and may not have available to them more traditional methods of financing.

Credit Risks. While loans and other assets invested in by the clients will often be collateralized, the clients may be exposed to losses resulting from default. Therefore, the value of the underlying collateral, the creditworthiness of the borrower or other counterparty and the priority of the lien are each of great importance. Orchard cannot guarantee the adequacy of the protection of the client's interests, including the validity or enforceability of the applicable investment contract and the maintenance of the anticipated priority and perfection of the applicable security interests. Furthermore, Orchard cannot assure that claims may not be asserted that might interfere with enforcement of the clients' rights. In the event of a foreclosure, the clients or affiliates of the clients may assume direct ownership of the underlying asset. The liquidation proceeds upon sale of such asset may not satisfy the entire outstanding balance of principal and interest payable, resulting in a loss to the clients. Any costs or delays involved in the effectuation of a foreclosure of the asset, or a liquidation of the underlying property will further reduce the proceeds and thus increase the loss.

Credit Instruments. Certain of the clients take long or short positions in any number of credit instruments including, but not limited to, bonds, loans and credit default swaps on single name or portfolios of issuers. The underlying issuers may be investment grade or non-investment grade. The clients will therefore be subject to credit, liquidity, interest rate and currency risks. Higher-yielding credit instruments may be unsecured, subordinated or have first loss characteristics. Lower rated credit instruments in the higher-yielding sector reflect a greater probability of adverse changes in the financial condition of the issuer or debt class. General economic conditions and lower credit quality may impair the timely payment of principal and interest. Non-investment grade debt securities may not be protected by financial covenants or limitations on additional indebtedness. In addition, evaluating the risk for credit instruments involves uncertainty because credit rating

agencies throughout the world have different standards, making comparison across countries difficult. The market for credit is also often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments. It is likely that a major economic recession could severely disrupt the market for such securities and may have an adverse impact on the value of such securities. In addition, it is likely that any such an economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

The clients will invest in asset-backed financial instruments, including but not limited to, CBOs, CDOs, CLOs, tranches of credit indices and bespoke portfolios of issuers. These types of financial instruments are subject not only to the types of risks identified above, but additional risks that include, but are not limited to, pre-payment risk, adverse selection on the part of the seller or originator, and, to the extent they are contained in special purpose entities, legal, withholding tax and entity structural risk. These instruments also typically have substantial embedded leverage, highly volatile returns, no readily available liquid market and are subject to first loss characteristics.

Derivative Instruments. Derivative instruments are financial contracts whose value depends on, or is derived from, the value of an underlying asset, reference rate, or index. Exchange traded or OTC options, swaptions, futures, forwards and swaps, including total return swaps and other derivative contracts, may be used by the clients to take a position in a credit market transaction and/or as part of a strategy to reduce exposure to other risks, such as interest rate or currency risk. The clients may also use derivatives for leverage, in which case their use would involve leveraging risk. The clients' use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Derivatives are subject to a number of risks described herein. The clients may be long or short an underlying reference asset or group of assets via a derivative transaction. Derivative transactions may magnify through leverage or other structural characteristics, by many times, the exposure of the clients to changes in underlying reference asset prices. Derivative transactions may expose the clients to unlimited losses due to changes in the underlying reference asset prices. These losses may consume the entire capital base of the clients and force their liquidation in bankruptcy. In addition, sudden adverse mark-to-market changes in the value of collateralized derivative transactions may exceed the capital base or available liquidity of the clients, thereby forcing its untimely liquidation. The most significant factor in the performance of derivative transactions is the change in the underlying reference asset price, specific interest rate, currency or other factors that determine the amounts of payments due to and from the clients. If a derivative transaction calls for payments by the clients, the clients must be prepared to make such payments when due. In addition, derivative instruments are subject to the risk of non-performance by the swap counterparty, including risks relating to the creditworthiness of the swap counterparty, market risk, liquidity risk and operations risk.

Credit Default Swaps. Credit default swaps can be used to implement Orchard's view that a particular credit, or group of credits, will experience credit improvement or deterioration. In the case of expected credit improvement, the clients may sell credit default protection in which they receive a premium to take on the risk. In such an instance, the obligation of the clients to make payments upon the occurrence of a credit event creates leveraged exposure to the credit risk of the referenced entity. The clients may also buy credit default protection with respect to a referenced entity, generally for hedging purposes or if, in Orchard's judgment, there is a high likelihood of credit deterioration. In such instance, the clients will pay a premium regardless of whether there is a credit event.

Bank Loans. A portion of the clients' investments may consist of loans and participations therein originated by banks and other financial institutions. Such loans are typically private corporate loans that are negotiated by one or more commercial banks or financial institutions and syndicated among a group of commercial banks or financial institutions. The bank loans to be acquired by the clients may be below investment grade and may not be rated.

The clients may invest directly or through participations in loans with revolving credit features or other commitments or guarantees to lend funds in the future. A failure by the clients to advance requested funds to a borrower could result in claims against the clients and in possible assertions of offsets against amounts previously lent.

The clients may acquire interests in bank loans and other debt obligations either directly (by way of sale or assignment) or indirectly (by way of participation). The purchaser of an assignment typically succeeds to all rights and obligations of the assigning institution and becomes a lender under the credit agreement with respect to the debt obligation; however, its rights can be more restricted than those of the assigning institution. A participation interest in a portion of a debt obligation typically results in a contractual relationship with only the institution acting as lender under the credit agreement, not with the borrower. In purchasing participations, the clients generally will have no right to enforce compliance by the borrower with the terms of the loan agreement, nor any rights of set-off against the borrower, and the clients may not directly benefit from the collateral supporting the debt obligation in which it has purchased the participation. As a result, the clients will be exposed to the credit risk of both the borrower and the institution selling the participation.

Market Value Borrowings and Derivatives; Financing Arrangements; Availability of Credit. In general, the anticipated use of margin borrowings and other borrowings based on the market value of the portfolio and derivatives which require the clients to post margin add certain additional risks to the clients. For example, should the assets pledged to brokers to secure the client's margin accounts decline in value, the clients could be subject to a "margin call," pursuant to which the clients must either deposit additional funds or assets with the broker or suffer mandatory liquidation of the pledged assets to compensate for the decline in value. In the event of a sudden drop in the value of a client's portfolio, the client might not be able to liquidate investments quickly enough to satisfy its margin requirements or may be required to close out positions at losses, which if the client had continued to hold would have been profitable.

As a general matter, the banks and dealers that provide financing to the clients can apply essentially discretionary margin, "haircut" financing as well as security and collateral valuation policies. Changes by banks and dealers in such policies, or the imposition of other credit limitations or restrictions, whether due to market circumstances or government, regulatory or judicial action, may result in large margin calls, loss of financing, forced liquidations of positions at disadvantageous prices, termination of swap and repurchase agreements and cross-defaults to agreements with other dealers. Any such adverse effects may be exacerbated in the event that such limitations or restrictions are imposed suddenly and/or by multiple market participants. The imposition of any such limitations or restrictions could compel the clients to liquidate all or part of its portfolio at disadvantageous prices, perhaps leading to a complete loss of a client's equity.

Forward Trading. Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these

markets, negotiating each transaction on an individual basis. Forward and “cash” trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade, and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually widespread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market traded by the clients due to unusual trading volume, political intervention or other factors. The imposition of governmental authorities might also limit such forward trading to less than that which the investment manager would otherwise recommend, to the possible detriment of the clients. Market illiquidity or disruption could result in major losses to the clients.

Use of Options. Certain clients will buy or sell (write) both call options and put options, and when they write options, they may do so on a “covered” or an “uncovered” basis. A call option is “covered” when the writer owns securities of the same class and amount as those to which the call option applies. A put option is covered when the writer has an open short position in securities of the relevant class and amount. The clients’ option transactions may be part of a hedging strategy (i.e., offsetting the risk involved in another securities position) or a form of leverage, in which the clients have the right to benefit from price movements in a large number of securities with a small commitment of capital. These activities involve risks that can be substantial, depending on the circumstances.

In general, without taking into account other positions or transactions the clients may enter into, the principal risks involved in options trading can be described as follows: when a client buys an option, a decrease (or inadequate increase) in the price of the underlying security in the case of a call, or an increase (or inadequate decrease) in the price of the underlying security in the case of a put, could result in a total loss of the client’s investment in the option (including commissions). The client could mitigate those losses by selling short, or buying puts on, the securities for which it holds call options, or by taking a long position (e.g., by buying the securities or buying calls on them) in securities for which it holds put options.

When the client sells (writes) an option, the risk can be substantially greater than when it buys an option. The seller of an uncovered call option bears the risk of an increase in the market price of the underlying security above the exercise price. Theoretically, the risk of loss is unlimited unless the option is “covered”. If it is covered, the client would forego the opportunity for profit on the underlying security should the market price of the security rise above the exercise price. If the price of the underlying security were to drop below the exercise price, the premium received on the option (after transaction costs) would provide profit that would reduce or offset any loss the client might suffer as a result of owning the security.

Swaps and certain options and other customized instruments are subject to the risk of non-performance by the swap counterparty, including risks relating to the creditworthiness of the swap counterparty, market risk, liquidity risk and operations risk.

Futures Contracts. The clients may trade futures and futures options for speculative or hedging purposes. The prices of such contracts are highly volatile. Because of the low margin deposits normally required in futures trading, a high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in

substantial losses to the investor. In addition, futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as “daily price fluctuation limits” or “daily limits”. Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless Orchard is willing to effect trades at or within the limit. This could prevent the clients from promptly liquidating unfavorable positions and subject the clients to substantial losses.

Fraud. Of paramount concern in investing in loans is the possibility of material misrepresentation or omission on the part of the borrower. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the loans or may adversely affect the ability of the clients to perfect or effectuate a lien on the collateral securing the loan. The clients will rely upon the accuracy and completeness of representations made by borrowers to the extent reasonable when it makes its investments but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to the clients may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Lender Liability or Equitable Subordination. Because of the nature of certain of the clients’ investment practices, the clients or their affiliates could be subject to allegations of lender liability or “equitable subordination”. Under common law principles that in some cases form the basis for lender liability claims, if a lender (a) intentionally takes an action that results in the under capitalisation of a borrower or issuer to the detriment of other creditors of such borrower or issuer; (b) engages in other inequitable conduct to the detriment of such other creditors; (c) engages in fraud with respect to, or makes misrepresentations to, such other creditors; or (d) uses its influence as a stockholder to dominate or control a borrower or issuer to the detriment of other creditors of such borrower or issuer, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors (a remedy called “equitable subordination”). The clients do not intend to engage in conduct that would form the basis for a successful cause of action based upon the lender liability or equitable subordination doctrines; however, because of the nature of the debt obligations, the clients or their subsidiaries may be subject to claims from creditors of an obligor that debt obligations of such obligor which are held by the issuer should be equitably subordinated.

Prepayment Risk. The frequency at which prepayments (including voluntary prepayments by the obligors and liquidations due to defaults and foreclosures) occur on loans underlying assets will be affected by a variety of factors including the prevailing level of interest rates as well as economic, demographic, tax, social, legal and other factors. Generally, borrowers tend to prepay their loans when prevailing interest rates fall below the interest rates on their outstanding loans. Orchard will account for anticipated prepayment levels in investing in loan assets. However, increased prepayment levels may negatively impact the total cash realised over the life of the assets and may consequently affect the rate of return on such Investments.

Credit Ratings. In general, the credit rating assigned by a nationally recognised rating agency to a security represents such rating agency’s opinion of the safety of the principal and interest payments of the rated instrument based on available information. Such ratings are relative and subjective; they are not absolute standards of quality and do not evaluate the market value risk of such securities. Such ratings also do not reflect macroeconomic or systemic risk, including the risk of

increased illiquidity in the credit markets. Further, credit ratings may change over time due to various factors, including changes in the creditworthiness of the issuer and/or changes in the rating agency's analytics and processes. It is possible that a rating agency might not change its rating of a particular issue on a timely basis to reflect subsequent events and, as a result, outstanding ratings may not reflect the issuer's current credit standing. The clients may incur losses if it makes investments based on credit ratings that subsequently change in a way not favourable to a client's investment objective.

Second Lien Loans. The clients have and may invest in loans that are secured by a second lien on assets. Second lien loans have been a developed market for a relatively short period of time, and there is limited historical data on the performance of second lien loans in adverse economic circumstances. In addition, second lien loan products are subject to intercreditor arrangements with the holders of first lien indebtedness, pursuant to which the second lien holders have waived many of the rights of a secured creditor, and some rights of unsecured creditors, including rights in bankruptcy that can materially affect recoveries. While there is broad market acceptance of some second lien intercreditor terms, no clear market standard has developed for certain other material intercreditor terms for second lien loan products. This variation in key intercreditor terms may result in dissimilar recoveries across otherwise similarly situated second lien loans in insolvency or distressed situations. While uncertainty of recovery in an insolvency or distressed situation is inherent in all debt instruments, second lien loan products carry more risks than certain other debt products.

Significant Positions in Securities; Regulatory Requirements. In the event the clients acquire a significant stake in certain issuers of securities and such stake exceeds certain percentage or value limits, the clients may be subject to regulation and regulatory oversight that may impose notification and filing requirements or other administrative burdens on the clients and Orchard. Any such requirements may impose additional costs on the clients and may delay the acquisition or disposition of the securities or a client's ability to respond in a timely manner to changes in the markets with respect to such securities.

In addition, "position limits" may be imposed by various regulators that may limit a client's ability to effect desired trades. Position limits are the maximum amounts of gross, net long or net short positions that any one person or entity may own or control in a particular issuer's securities. All positions owned or controlled by the same person or entity, even if in different accounts, may be aggregated for purposes of determining whether the applicable position limits have been exceeded. To the extent that a client's position limits were aggregated with an affiliate's position limits, the effect on the client and resulting restriction on its investment activities may be significant. If at any time positions managed by Orchard were to exceed applicable position limits, Orchard would be required to liquidate positions, which might include positions of the clients, to the extent necessary to come within those limits. Further, to avoid exceeding any position limits, a client might have to forego or modify certain of its contemplated trades.

Short Selling. The success of a client's short selling investment strategy depends upon Orchard's ability to identify and sell short securities that are overvalued. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the client of buying those securities to cover the short position. There can be no assurance that a client will be able to maintain the ability to borrow securities sold short. In such cases, the client can be "bought in" (i.e., forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover

a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. Short strategies can also be implemented synthetically through various instruments and be used with respect to indices or in the over-the-counter market and with respect to futures and other instruments. In some cases of synthetic short sales, there is no floating supply of an underlying instrument with which to cover or close out a short position and the client may be entirely dependent on the willingness of over-the-counter market makers to quote prices at which the synthetic short position may be unwound. There can be no assurance that such market makers will be willing to make such quotes. Short strategies can also be implemented on a leveraged basis. Lastly, even though the client secures a “good borrow” of the security sold short at the time of execution, the lending institution may recall the lent security at any time, thereby forcing the client to purchase the security at the then-prevailing market price, which may be higher than the price at which such security was originally sold short by the client.

Litigation Finance. Certain clients invest in interests in, or related to, legal proceedings or judgments including, but not limited to, the purchase of rights to bring or pursue litigation or arbitration claims, the making of, or investing, in loans to parties to litigation or arbitration proceedings or in potential future recoveries in respect thereof, and debt or equity investments in companies engaged in litigation or arbitration proceedings. In addition to other risks commonly associated with loans, debt and equity investments, such investments (referred to collectively herein as “litigation investments”) are subject to a number of significant risks, and our clients’ ability to achieve their investment objectives with respect to litigation investments depends on whether claims in which the clients invest are successful. Assessing the values, strengths and weaknesses of a claim is complex, and the outcome is not certain. Such claims may not always be successful, which could negatively impact the clients’ investments. Even if a case is successful, certain judgments or awards may be challenged or appealed by the defendant, unable to be recovered due to failure to pay by the defendant, and/or difficult to predict the ultimate timing and amount recovered. Further, in jurisdictions with a “loser pays system” (such as England and Wales) the client could be liable for the defendant’s cost and fees in the relevant case. Even though Orchard may seek to purchase insurance against this event, there can be no assurance that such insurance will be available on a commercially acceptable basis, or at all, or if purchased, will be adequate to cover costs assessed, which could result in a loss to the client.

Leverage for Investment Purposes. The use of leverage will allow the clients to make additional investments, thereby increasing their exposure to assets, such that their total assets may be greater than their capital. However, leverage will also magnify the volatility of changes in the value of a client’s portfolio. The effect of the use of leverage by the clients in a market that moves adversely to their investments could result in substantial losses to the clients, which would be greater than if the clients were not leveraged.

Leverage may take the form of, among other things, derivative instruments which are inherently leveraged and trading in products with embedded leverage such as options, short sales, swaps and forwards. In addition, the clients will have the authority to borrow money for cash management purposes and to meet redemptions that would otherwise result in the premature liquidation of their investments. The level of interest rates generally, and the rates at which the clients can borrow particularly will affect the operating results of the clients. The amount of borrowings and leverage which the clients may have outstanding at any time may be substantial in relation to its capital.

The instruments and borrowings utilised by the clients to leverage investments may be collateralised by the client's portfolio. Accordingly, the clients may pledge its securities in order to borrow or otherwise obtain leverage for investment or other purposes. Should such pledged securities decline in value, the clients could be subject to a "margin call" pursuant to which the clients must either deposit additional funds or securities with the relevant counterparty or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. The banks and dealers that provide financing to the clients can apply essentially discretionary margin, haircut, financing and collateral valuation policies. Changes by banks and dealers in any of the foregoing may result in large margin calls, loss of financing and forced liquidations of positions at disadvantageous prices. There can be no assurance that the clients will be able to secure or maintain adequate financing.

Diversification and Concentration. Orchard may select investments that are concentrated in a limited number or types of securities. In addition, the clients' portfolios may become significantly concentrated in securities related to a single or a limited number of issuers, industries, sectors, strategies, countries or geographic regions. This limited diversification may result in the concentration of risk, which, in turn, could expose the clients to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in such securities.

Valuation of Assets and Liabilities. Client assets and liabilities are valued in accordance with Orchard's 'Valuation Policy'. The valuation of any asset or liability involves inherent uncertainty. The value of a security determined in accordance with the Valuation Policy may differ materially from the value that could have been realised in an actual sale or transfer for a variety of reasons, including the timing of the transaction and liquidity in the market. Uncertainties as to the valuation of portfolio positions could have an impact on the net asset value of the clients if the judgements of Orchard, the fund administrator and/or the relevant client's governing body regarding the appropriate valuation should prove to be incorrect.

Illiquid Investments. Some of the investments recommended by the firm may be illiquid, and consequently clients may not be able to sell such investments at prices that reflect the firm's assessment of their value, or the amount paid for such investments by the client. Illiquidity may result from the absence of an established market for the investments as well as legal, contractual or other restrictions on their resale by the client and other factors. Furthermore, the nature of the investments recommended by the firm, may require a long holding period prior to profitability.

Hedging Transactions. Investments in financial instruments such as forward contracts, options, and interest rate swaps, caps and floors, and other derivatives are commonly utilized by investment funds to hedge against fluctuations in the relative values of its portfolio positions as a result of changes in currency exchange rates, in interest rates and the equity markets or sectors thereof. Any hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions' value. Such hedging transactions also limit the opportunity for gain if the value of the portfolio positions should increase. Moreover, it may not be possible for the clients to hedge against a fluctuation at a price sufficient to protect the clients' assets from the decline in value of the portfolio positions anticipated as a result of such fluctuations.

Side Letters. Orchard and its clients have and may from time to time enter into a “side letter” or similar agreement with an institutional or other investor pursuant to which Orchard and its clients grant the investor specific rights, benefits or privileges that are not generally made available to all investors. Such rights, benefits or privileges include waivers or discounts on management fees and/or performance compensation, “most favored nation” clauses, the right to be excused from participating in certain investments made by a client, notice rights upon the occurrence of certain events, seats on a fund’s limited partner advisory committee, specialized or additional reporting rights, rights related to tax treatment, rights related to regulatory matters, rights related to immunities or indemnification, rights related to the ability of the investor to transfer its interest in the client, additional representations and warranties from the client, its general partner and/or the firm, modifications to the subscription agreement and other benefits. While the ability of a fund or its general partner to enter into a side letter or similar agreement affording preferential rights to certain investors is generally disclosed to other investors in the fund, the terms of such “side letters” or similar agreements are generally not disclosed to other investors in the fund, except to investors that have separately negotiated for the right to review such agreements.

General Economic and Market Conditions. Orchard’s business may be affected by general economic and market conditions, such as interest rates, availability of credit defaults, economic uncertainty, changes in laws, trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorists acts, sanctions, or security operations). These factors may affect the level and volatility of the prices and the liquidity of the investments. Volatility or illiquidity could impair profitability or result in losses. The clients may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets.

Inflation. The U.S. and other developed economies recently experienced higher-than-normal inflation rates. It remains uncertain whether substantial inflation in the U.S. and other developed economies will be sustained over an extended period of time or have a significant effect on the U.S. or other economies. Inflation may affect a client’s investments adversely in a number of ways. During periods of rising inflation, interest and dividend rates of any instruments a client or entities related to investments may have issued could increase, which would tend to reduce returns to investors. Some of a client’s investments may have income linked to inflation through contractual rights or other means. However, as inflation may affect both income and expenses, any increase in income may not be sufficient to cover increases in expenses. Governmental efforts to curb inflation often have negative effects on the level of economic activity. In an attempt to stabilize inflation, certain countries have imposed wage and price controls at times. Past governmental efforts to curb inflation have also involved more drastic economic measures that have had a materially adverse effect on the level of economic activity in the countries where such measures were employed. Certain countries, including the U.S., recently saw increased levels of inflation and there can be no assurance that continued, and more wide-spread inflation will not become a serious problem in the future and have an adverse impact on a client’s returns. There can be no assurance that continued and more wide-spread inflation in the U.S. and/or other economies will not become a serious problem in the future and have a material adverse impact on a client’s returns.

Market Disruption and Geopolitical Risk. The clients are subject to the risk that geopolitical and other events will disrupt securities markets, adversely affect global economies and markets, and thereby decrease the value of the client’s investments. Market disruptions, including sudden

government interventions, can also prevent the firm from implementing its investment program for a period of time and achieving its investment objective. For example, a disruption may cause disarrangements to the ordinary functioning of the securities markets and/or may cause the derivatives counterparties to discontinue offering derivatives on some underlying commodities, securities, reference rates, or indices or to offer them on a more limited basis. Climate change, whether in the form of extreme weather events or rising sea levels, is already disrupting trade routes and damaging infrastructure. This geopolitical risk has the potential to significantly impact national security and global stability.

International Conflicts. War and other international conflicts, such as the Israeli-Hamas conflict and the ongoing military conflict between Russia and Ukraine, have caused disruptions to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place sanctions and other severe restrictions or prohibitions on certain of the countries involved, as well as related individuals and businesses. The effects, scale and impact of these conflicts and those involving other countries is highly uncertain and cannot be predicted. Presently, none of the clients have any direct investments in these direct conflict areas, and their portfolio investments presently have limited indirect exposure to events there on a derivative basis. However, it is difficult to predict the outcome of these events, and they could negatively affect the value and liquidity of the clients' investments due to the interconnected nature of the global economy and capital markets.

Cybersecurity. Orchard, the clients and any of their service providers may be subject to operational and information security risks resulting from cyber-attacks. In addition, cybersecurity risks may also impact issuers of securities in which the client invests, which may cause a client's investment in such issuers to lose value. Cybersecurity breaches at Orchard or its service providers or counterparties may directly or indirectly affect clients, and could lead to theft, data corruption, interference with business operations, disruption of operational systems, interference with Orchard or the client's ability to execute transactions, direct financial loss or reputational damage, or violations of applicable laws related to data and privacy protection and consumer protection. Despite the various protections utilized, systems, networks or devices potentially can be breached. There can be no assurance that Orchard, a client or its service providers will not suffer losses relating to cyber-attacks or other information security breaches in the future.

Pandemic/Epidemic Outbreak. A pandemic or epidemic outbreak and reactions to such an outbreak could cause uncertainty in markets and businesses, including Orchard's business, and may adversely affect the performance of the global economy, including causing market volatility, market and business uncertainty and closures, supply chain and travel interruptions, the need for employees and vendors to work at external locations, and extensive medical absences. There are also risks posed by global phenomena such as effects of climate, conflict, energy and geopolitical change. Potential impacts include direct effects on property and supply chains, economic consequences, and/or indirect effects on financial markets at a global scale through the heightening of broader uncertainty and risk aversion. Orchard has policies and procedures to address known situations, but because a large pandemic/epidemic may create significant market and business uncertainties and disruptions, not all events that could affect Orchard's business and/or the markets can be determined and addressed in advance.

Business Continuity and Disaster Recovery. Orchard's business operations may be vulnerable to disruption in the case of catastrophic events such as fires, natural disaster, terrorist attacks or other circumstances resulting in property damage, network interruption and/or prolong power outages. Although Orchard has implemented measures to manage risks relating to these types of events, there can be no assurances that all contingencies can be planned for. These risks of loss can be substantial and could have a material adverse effect on Orchard and investments therein.

Force Majeure. Orchard's strategies and investments on behalf of its clients may be affected by force majeure events (i.e., events beyond Orchard's control, including acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism and labor strikes). Certain force majeure events (such as war or an outbreak of an infectious disease that becomes a global pandemic) could have a broader negative impact on the world economy and international business activity generally. While Orchard has policies and procedures to address known situations, such events may materially and adversely impact the value and performance of the clients, their ability to source, manage and divest investments and their ability to achieve their investment objectives. In addition, the operations of the clients and their respective general partners and managers may be significantly impacted, or even temporarily or permanently halted, as a result of required office closures, government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to the force majeure event. Any one or any combination of the foregoing may therefore adversely affect performance.

The offering memorandum and/or operating agreements for the clients will contain discussions of various risk considerations that are more extensive in scope and depth than the foregoing summary.

9. Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of Orchard's advisory business or the integrity of the Orchard's management.

10. Other Financial Industry Activities and Affiliations

Neither our firm nor any of our management persons is registered, or has an application pending to register, as a broker-dealer or registered representative of a broker-dealer. Orchard is registered as an investment adviser with the SEC, is registered with the CFTC as a commodity pool operator and is a member of the National Futures Association. Additionally, Orchard is authorized and regulated by the United Kingdom's Financial Conduct Authority.

Our affiliate OGAM, LP is registered as an investment adviser with the SEC, is registered with the CFTC as a commodity pool operator and is a member of the National Futures Association and acts as an investment manager or sub-adviser to its clients. Orchard has hired OGAM, LP, in a sub-advisory capacity, to provide investment advisory and other support services to Orchard and the clients (and vice versa). OGAM, LP, a separately registered investment adviser, and Orchard are related persons because they are under common control and share certain officers and directors who provide advisory services on behalf of both Orchard and OGAM, LP. In addition, certain other employees of Orchard and OGAM, LP perform certain services for both investment advisers.

Our affiliate Orchard Global Asset Management (S) Pte Ltd is regulated by the Monetary Authority of Singapore and has also filed as an exempt reporting adviser with the SEC. It acts as investment manager to its clients and is registered with the CFTC as a commodity pool operator and is a member of the National Futures Association. Each of Orchard, OGAM, LP and Orchard Global

Asset Management (S) Pte Ltd has claimed exemptions from certain of the CFTC's disclosure, reporting and record-keeping requirements pursuant to Rule 4.7 under the United States Commodity Exchange Act, as amended.

Our affiliate OGAM Ltd. acts as an investment adviser to its clients and is registered with the Ontario Securities Commission as an Investment Fund Manager, Portfolio Manager and Exempt Market Dealer. OGAM Ltd. is registered with the CFTC as a commodity pool operator and is a member of the National Futures Association. OGAM Ltd. has claimed exemptions from certain of the CFTC's disclosure, reporting and record-keeping requirements pursuant to CFTC Advisory 18-96.

Our affiliates Black Forest General Partner Ltd., ChapelGate General Partner Ltd., Olea GP, Ltd., Orchard Liquid Credit GP Ltd., TSO GP Limited, OGAM Tactical (GP) Limited, OGAM SOFISS GP S.à.r.l. LindenTree GP Ltd and EleganTree Opportunities Fund GP Ltd act as managers to pooled investment vehicles.

Our affiliate, OT Treaty Oak GP, LLC acts as a syndicator of limited partnerships.

Material Relationships or Arrangements with Industry Participants

Other than its relationship with its affiliates, Orchard and its management persons do not have material relationships or arrangements with industry participants.

Selection of Other Investment Advisers

Orchard does not recommend or select other investment advisers for its clients.

11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

A. Code of Ethics

Orchard has adopted a Code of Ethics that is designed to comply with the requirements of Rule 204A-1 of the Advisers Act. The Code of Ethics describes the firm's fiduciary duties, requires that the firm's employees act in the best interests of the clients, act in good faith and in an ethical manner, avoid conflicts of interest to the extent reasonably possible, and identify and manage conflicts of interest to the extent that they arise. Orchard's employees are also required to comply with applicable provisions of the federal securities laws and make prompt reports to the firm or other appropriate parties of any actual or suspected violations of the Code of Ethics. The Code of Ethics also contains policies and procedures designed to prevent the misuse of material, non-public information, including requirements that employees pre-clear certain personal securities transactions, report personal securities transactions on at least a quarterly basis, and provide Orchard with a detailed summary of certain securities holdings on an annual basis. All personnel of Orchard are required to certify their compliance with the Code of Ethics on a periodic basis.

Clients or prospective clients may obtain a copy of the Code of Ethics by contacting Orchard at the address or telephone number listed on the first page of the brochure.

B. Securities in Which You or a Related Person Has a Material Financial Interest

Orchard, its employees, affiliates or their related persons also invest directly in certain of the clients and may decide to invest only in certain clients and not in others. Investors generally will not be provided with notice of principals' or employees' investments in, or withdrawals from, a client. These practices create a potential conflict of interest because Orchard or such related persons have an incentive to recommend securities to clients based on their own financial interests, rather than solely the interests of a client.

In limited circumstances, Orchard, on behalf of the clients, has engaged in cross trades and may do so in the future. If Orchard determines that it is advisable to engage in such a cross trade, Orchard will (i) ensure that the trade is in the respective best interest of the clients involved; (ii) ensure that the transaction is consistent with the duty to obtain best execution; and (iii) rely on Orchard's valuation procedures to determine the appropriate price at which to effect the transaction (which may include the use of an independent third-party valuation agent as appropriate). Orchard will receive no transaction-based compensation in connection with cross trades (other than performance compensation and management fees received in the ordinary course of business). To the extent a cross trade may be viewed as a principal transaction due to the ownership interest in a client by Orchard or its personnel, Orchard will either not effect such transactions or comply with the requirements of Section 206(3) of the Advisers Act, including that any such transactions will be considered on behalf of investors in such a client and approved or disapproved by (i) an advisory board comprised of representatives of such investors or (ii) a committee consisting of one or more persons selected by Orchard (or its affiliate), and any valuation approved by such a committee will be determined by an independent third party that has appropriate experience in providing such valuations.

C. Investing in Securities That You or a Related Person Recommends to Clients

The Code of Ethics places restrictions on personal trades by employees, including that they disclose their personal securities holdings and transactions to Orchard on a periodic basis, and requires that employees pre-clear certain types of personal securities transactions. Orchard, its affiliates and its employees may invest on behalf of themselves in securities and other instruments that would be appropriate for, held by, or may fall within the investment guidelines of the clients, subject to the preapproval requirements set forth in the Code of Ethics.

D. Conflicts of Interest Created by Contemporaneous Trading

Orchard advises and manages the investments of and expects that it will in the future advise and manage the investments of, additional clients, including other investment funds, client accounts and separately managed account clients, including through "fund-of-one" structures (such other clients, funds and accounts, "Other Accounts"). The respective investment programs of the clients and Other Accounts may or may not be substantially similar. It is the policy of Orchard to allocate investment opportunities fairly and equitably over time. This means that such opportunities will generally be allocated among those accounts for which participation in the respective opportunity is considered appropriate, taking into account, among other considerations (a) an account's investment objectives and strategy; (b) whether the risk-return profile of the proposed investment is consistent with the account's objectives; (c) the potential for the proposed investment to create an imbalance in the account's portfolio; (d) liquidity requirements; (e) potentially adverse tax consequences to the account or trade counterparty; (f) regulatory, legal and/or tax restrictions that would or could limit an account's ability to participate in a proposed investment; (g) the timeframe by which the

investment needs to be committed to or completed; and (h) the need to re-size risk in the account's portfolio. The foregoing considerations may result in allocations among the clients and/or one or more Other Accounts on other than a strictly pro rata basis in order to ensure that accounts have fair and equitable access over time to the similar quality and quantity of investment opportunities.

12. Brokerage Practices

A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions

Orchard is authorized to determine the counterparty, broker or dealer to be used for each securities transaction for the clients. Orchard considers a number of factors in selecting a counterparty with which to transact and/or a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation. In determining best execution, we may take into account the full range and quality of a counterparty or broker's services that benefit an account under management such as brokerage, research and other services. In selecting the counterparties to execute a particular transaction, Orchard uses its best judgment in evaluating the terms of the transaction, and gives consideration to various relevant factors, which generally include:

- financial stability, creditworthiness, and general reputation of the counterparty or the broker,
- if applicable, actual executed price of the security and the broker's commission rates,
- research (including economic forecasts, investment strategy advice, fundamental and technical advice on individual securities, valuation advice and market analysis),
- custodial and other services provided by such counterparties, brokers and/or dealers that are expected to enhance Orchard's general portfolio management capabilities, size and type of the transaction,
- difficulty of execution and the ability to handle difficult transactions and trades,
- operational efficiency and facilities of the counterparties, brokers and/or dealers involved including back-office efficiency, ability to handle a block order for securities and distribution capabilities, clearing broker's responsiveness to Orchard and
- Orchard's ability to negotiate standard or bilateral agreement terms that adequately protect the client's identity and trading intentions.

Orchard maintains policies and procedures to review the quality of executions, including periodic review by its investment professionals.

Currently Orchard does not have a soft dollar arrangement with any broker dealer. However, we may receive certain products and services in addition to brokerage service from a broker dealer, those primarily being research reports provided to us as a client by broker dealers that we use to execute trades. In every instance, the receipt of such services will be in accordance with the safe harbor provided by Section 28(e) of the Securities Exchange Act. To the extent that we receive research, we will generally use the research for any clients who may benefit from the research. If Orchard determines to enter into a soft dollar arrangement in the future, the Chief Compliance Officer will implement additional policies or procedures as necessary.

Orchard may transact with a counterparty or place transactions with a broker or dealer that provides Orchard (or an affiliate) with the opportunity to participate in capital introduction events sponsored by the counterparty or broker-dealer or refers investors to the clients. Orchard is not required to

participate in these events and to the extent Orchard does, Orchard does not select the counterparty or broker-dealer in recognition of the opportunity to participate in such capital introduction events or the referral of investors.

Subject to any applicable investment guidelines and counterparty concentration limits, Orchard has complete discretion in deciding what counterparties, brokers and dealers the clients will use and in the case of brokers, negotiating the rates of compensation the clients will pay. Clients are not permitted to direct brokerage.

B. Aggregation of Orders

When we determine to buy or sell the same security, including interests in a private investment vehicle, on behalf of more than one client we will seek to execute the orders for all of the participating clients, on an equitable basis, taking into account factors such as risk tolerance, investment objectives, amounts of available capital, portfolio concentration, investment policies, and objectives or requirements applicable to each client, legal, tax, and other factors applicable to each client. With respect to trade execution, Orchard will generally follow the guidelines set forth below in aggregating client orders for securities, including any orders placed for private investment vehicles:

- No client will be favored over any other client.
- Each client that participates in an aggregated order will, if applicable based on the nature of the investment, participate at the average transaction price for all of Orchard's transactions in that security on a given business day and transaction costs will be shared pro rata based on each client's participation in the transaction.

13. Review of Accounts

A. Frequency and Nature of Review of Client Accounts or Financial Plans

Orchard's portfolio managers monitor the clients' portfolio daily to ensure that each client is managed in accordance with the investment objectives set forth in the applicable offering memorandum and operating documents. Additionally, Orchard also relies on various teams and personnel for reviews such as its risk team, CIO, and Chief Compliance Officer who ensures activities are in accordance with applicable regulations.

B. Factors Prompting Review of Client Accounts Other than a Periodic Review

In addition to the frequency and the nature of review described above, an additional review would likely be carried out in the event of unusual circumstances involving a portfolio security or the economy in general which indicates significant increase or unexpected risk to client accounts.

C. Content and Frequency of Account Reports to Clients

Orchard will generally provide annual audited financial statements to its clients within 120 days of the applicable client's fiscal year end.

Investors in the clients will generally receive, after the end of each fiscal year of the clients, annual audited financial statements (including a balance sheet, income statement and statement of changes in net assets) for the recently completed fiscal year. Additionally, Orchard prepares periodic written reports, fact sheets, and investor communications to all investors in the clients.

14. Client Referrals and Other Compensation

A. Economic Benefits for Providing Services to the Clients

Orchard will not receive economic benefits from non-clients for providing investment advice and other advisory services.

B. Compensation to Non-Supervised Persons for Client Referrals

From time to time, Orchard and its affiliates have entered into arrangements with third party placement agents and distributors to solicit investors in certain of the clients, and such arrangements provide for the compensation of such persons for their services at Orchard's expense.

15. Custody

With respect to its discretionary investment advisory services, Orchard is deemed to have custody of the client funds and securities because it has the authority to obtain client funds or securities, for example, by deducting advisory fees from a client's account or otherwise withdrawing funds from a client's account. Account statements related to these clients are sent by qualified custodians to Orchard.

Orchard is subject to Rule 206(4)-2 under the Advisers Act (the "Custody Rule"). However, it is not required to comply (or is deemed to have complied) with certain requirements of the Custody Rule with respect to each client because it complies with the provisions of the so-called "Pooled Vehicle Annual Audit Exception", which, among other things, requires that each client be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that each client distribute its audited financial statements to all investors within 120 days of the end of its fiscal year.

16. Investment Discretion

Orchard primarily serves as the investment manager with discretionary trading authority to each client. Orchard's investment decisions and advice with respect to the clients is subject to each client's investment objectives and guidelines, as set forth in its offering documents. Orchard or an affiliate of Orchard will enter into an investment management agreement, or similar agreement, with each client or its general partner, as applicable, pursuant to which Orchard or an affiliate of Orchard will be granted discretionary or non-discretionary trading authority, as applicable.

17. Voting Client Securities

Orchard's investment strategy typically does not involve the acquisition of public securities with voting authority. In the event that any clients do come into possession of securities with voting rights, Orchard will have the authority to vote proxies; in voting proxies, it is the general policy of Orchard to consider and vote each proposal with the objective of maximizing long-term investment returns for each client. Orchard has adopted written proxy voting guidelines in accordance with Rule 206(4)-6 of the Advisers Act in the event that it would have to vote a proxy.

Conflicts of interest may arise between the interests of the clients on the one hand and Orchard or its affiliates on the other hand. If Orchard determines that it may have, or is perceived to have, a conflict of interest when voting proxies, Orchard will vote in accordance with its proxy voting guidelines. The proxy policy may be revised in Orchard's discretion. Clients may obtain a copy of Orchard's proxy policy and its voting record upon request. Clients may also obtain information from Orchard about how Orchard voted any proxies on behalf of the clients.

18. Financial Information

Orchard is not required to include a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to clients and has not been the subject of a bankruptcy petition at any time during the past ten years.